

Office of Attorney General Terry Goddard



STATE OF ARIZONA
DEPARTMENT OF LAW
1275 W. WASHINGTON STREET
PHOENIX, ARIZONA 85007-2926
WWW.AZAG.GOV

ANNE TITUS HILBY
PRESS SECRETARY
PHONE: (602) 542-8019
CELL PHONE: (602) 725-2200
ANNE.HILBY@AZAG.GOV

FOR IMMEDIATE RELEASE

Terry Goddard Sues Phoenix Nutrition Company for Fraud

(Phoenix, Ariz. – Dec. 30, 2008) Attorney General Terry Goddard today announced a lawsuit against Central Coast Nutraceuticals, Inc. (CCN) in Phoenix. The company allegedly violated the Arizona Consumer Fraud Act when it engaged in a pattern of deceptive practices in its online sales of nutritional products.

CCN President and CEO Graham Gibson of Scottsdale is also named as a defendant in the suit.

“Consumers should not have to navigate a maze of complex exceptions and misleading advertisements to sample a product or cancel a service,” Goddard said. “A tough economy is not an excuse for misleading customers. I am working to ensure that businesses play by the rules, treat customers fairly and deliver on their promises.”

According to court documents, CCN offered customers a “\$1.00 risk free trial” of one of several of their products. The total cost of the trial product, however, is \$5.95 when shipping and handling charges are included. In the course of paying for the risk free trial, consumers are asked to provide CCN with credit card information. CCN then allegedly uses the information to charge consumers for additional products and services the consumers did not request, including pre-selected “up-sell” products that the consumer must actively de-select in the online order form to avoid being charged an additional \$39.90.

The suit alleges that consumers who sign up for the risk free trial are also deceptively enrolled in a free trial of Fit Factory, an online fitness and diet consultation service, as well as a “Lifestyle Program,” a monthly shipment of the product they purchased on a trial basis. To avoid subsequent monthly charges of \$29.95 or more for these monthly programs, consumers must contact Fit Factory or CCN to cancel their unwanted memberships, which they frequently learn about only after having been billed for them.

CCN also is alleged to use confusing and contradictory language regarding the length of trial periods and the availability of refunds in its promotional materials and shipping invoices. CCN also charges consumers the full price for a trial product before the trial periods have ended, according to the suit.

According to complaints filed with the Attorney General's Office, consumers who try to contact CCN to have unauthorized charges reversed have been faced with hold times of over an hour, and their e-mails often have received no response.

The lawsuit seeks to stop CCN from engaging in the alleged unlawful practices and asks the company to pay \$10,000 for each violation of the Consumer Fraud Act, provide full restitution to all consumers who were defrauded and reimburse the State for investigation costs and legal fees.

Assistant Attorney General Cherie Howe is handling this case. A copy of the complaint, which was filed Monday in Maricopa County Superior Court, is available on the Attorney General's Web site, www.azag.gov.

Consumers who feel they have been the victim of consumer fraud by CCN or any Arizona business should contact the Arizona Attorney General's Office Consumer Information and Complaint division in Tucson at (520) 628-6504, in Phoenix at (602) 542-5763 or toll-free outside of Maricopa or Pima County at (800) 352-8431.

For additional information, please contact Anne Hilby at (602) 542-8019.

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